70 Collier Street
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City of Barrie

Final

Investment Board

Wednesday, March 30, 2022 | **2:00 PM** | **Virtual Meeting**

INVESTMENT BOARD REPORT

For consideration by Finance and Corporate Services Committee on April 26, 2022.

The meeting was called to order by Chair, G. Waters at 2:01 p.m. The following were in attendance for the meeting:

Present: 4 - Chairman G. Waters
G. Winter
M. Vallee
P. Belanger

Absent: 1 - C. Millar - Director of Finance/Treasurer

STAFF:
Coordinator of Elections and Special Projects, T. McArthur
Deputy City Clerk, M. Williams
Investment Analyst, J. Bayley
Portfolio Manager, T. Rayaisse
Senior Manager, Corporate Finance Investments, C. Gillespie.

The Investment Board met and recommends adoption of the following recommendation(s):

SECTION "A"

2021 INVESTMENT MANAGEMENT ANNUAL REPORT

1. That the Report to the Investment Board concerning the 2021 Investment Management Annual Report approved by the City's Investment Board on March 30, 2022, be received for information.

2. That the Environmental, Social and Governance (ESG) integration framework in Appendix "B" of the Report to the Investment Board dated March 30, 2022, be adopted.

3. That the following statement be added to the Investment Policy Statement under Section 4.1. Investment Principles:

   a) Material ESG factors and traditional financial factors are identified and assessed to form an investment decision.

This matter was recommended (Section “A”) to Finance and Corporate Services Committee for consideration of adoption at its meeting to be held on 4/4/2022.

The Investment Board met and reports as follows:

SECTION "B"

CURRENT MARKET ENVIRONMENT

The Committee discussed internal and external factors that could possibly impact the current market environment in order to identify risks, manage changes, and identify potential opportunities for the City.

The Committee identified the following factors of concern:

- Ongoing supply chains disruptions;
- Lingering of the pandemic and potential future outbreaks will likely have a negative impact on supply chains;
- Inflation causing some distortions in the market;
- Rising interest rates;
- Implications of the conflict in Ukraine;
- Negative environment for fixed income securities in light of higher rates and widening of credit spreads;
- Heightened volatility in the equity markets likely to be around for a while with higher levels of uncertainty;
- Canadian equity markets have better prospects and are relatively cheaper compared to other equity markets;
- Greater impacts to the consumers due to rising food and energy costs, increases in mortgage rates;
- Labour market is currently strong, resulting in demand for higher wages; and
- Changes in weather and seasons affecting agriculture.

CAPITAL MARKET OUTLOOK

The Committee discussed the capital market outlook and provided their opinions on strategy, course of action and timeframe for the City's investment portfolio.

The Committee agreed to continuing managing the City's Investments with the framework established in the Investment Policy Statement (IPS) while being cognizant of the current market environment.

ADJOURNMENT

The meeting adjourned at 3:04 p.m.

CHAIRMAN